

Message Text

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ACTION EA-14

INFO OCT-01 ISO-00 IO-14 CIAE-00 DODE-00 PM-07 H-03 INR-10

L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 SAM-01 OMB-01 INT-08 DRC-01 ABF-01 TRSE-00

EB-11 /129 W

----- 031385

R 010517Z FEB 74

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 9682

HICOMTERPACIS SAIPAN MARIANAS ISLANDS

INFO HQ USARBCO MACHINATO/TTPI-LNO

C O N F I D E N T I A L SECTION 1 OF 2 TOKYO 1435

DEPT PASS INTERIOR FOR DOTA AND OSN

HICOMTERPACIS ALSO FOR STATUS LNO

E.O. 11652: GDS

TAGS: EAID, TQ, JA

SUBJ: MICRONESIA CLAIMS AGREEMENT

REF: A) STATE 14691 B) TOKYO 518 C) TOKYO 202 D) TOKYO 14988

E) TOKYO 13082

SUMMARY: A) FONOFF RECEIVED IMPRESSION FROM RECENT REPORTS OF GOJ EMBASSY WASHINGTON THAT USG AWAITING GOJ'S NEXT MOVE TO IMPLEMENT CLAIMS AGREEMENT. EMBOFF ASSURED FONOFF THAT USG FULLY AWARE NEXT IMPLEMENTATION STEP IS COMPLETION OF LIST OF GOODS AND SERVICES BY USG. DEPT MAY WISH CLARIFY THIS POINT TO GOJ EMBASSY WASHINGTON. B) TWICE IN LAST FORTNIGHT FONOFF HAS CONVEYED TO EMBASSY ITS CONCERN OVER CONTINUING DELAY IN IMPLEMENTATION OF AGREEMENT. EMBOFF HAS CONVEYED THIS INFO TO TTPI AUTHORITIES, WHO SHARE CONCERN. EMBASSY NOW UNDERSTANDS TTPI HOPES TO COMPLETE LIST IN ABOUT TWO WEEKS AND IT HAS SO INFORMED FONOFF. END SUMMARY
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1. JAPANESE EMBOFF APPARENTLY INTERPRETED DEPT OFF'S REMARKS DURING JAN 21 CONVERSATION (REPORTED REF A) TO MEAN USG NOW AWAITING GOJ RESPONSE OF SOME KIND IN ORDER MOVE FORWARD ON CLAIMS AGREEMENT. FONOFF REP (SASAKI, DEPUTY HEAD, SECOND ECONOMIC COOPERATION DIVISION) CALLED EMBOFF JAN 28 TO EXPRESS SURPRISE AND REQUEST CLARIFICATION. EMBOFF ASSURED SASAKI USG FULLY AWARE THAT NEXT NECESSARY STEP IN IMPLEMENTATION OF CLAIMS AGREEMENT IS SUBMISSION OF REVISED AND COMPLETED LIST OF GOODS AND SERVICES BY USG TO GOJ, AND THAT DEPT OFFS NO DOUBT MEANT TO SOLICIT GOJ'S RAPID APPROVAL OF FINAL LIST FOLLOWING ITS SUBMISSION BY USG, FOLLOWED BY RAPID APPROVAL OF PROCUREMENT CONTRACTS AS THEY ARE SUBMITTED. DUE TO FONOFF REACTION HERE IN TOKYO, DEPT MAY WISH TO CLARIFY THIS POINT TO GOJ EMBASSY WASHINGTON AT APPROPRIATE OPPORTUNITY.

2. SINCE DISPATCH BY EMBASSY OF REF B, SASAKI HAS TWICE CALLED EMBOFF (ON JAN 17 AND 28) TO EXPRESS FONOFF CONCERN OVER CONTINUING PASSAGE OF TIME WITHOUT COMPLETION OF LIST AND FORWARD MOVEMENT ON IMPLEMENTATION OF AGREEMENT. FOLLOWING EACH OF THESE CONVERSATIONS EMBOFF HAS CALLED TTIP AUTHORITIES (HICOM JONNSTON AND/OR PETERSON) TO RELAY FONOFF'S CONCERN AND GET BRIEFING ON STATUS TTPI EFFORTS, SUBSEQUENTLY REPORTING BACK TO SASAKI. EMBOFF HAS STRESSED TO FONOFF DIFFICULTY TTPI BUDGET PROBLEMS AND THAT TTPI AUTHORITIES SHARE GOJ CONCERN AND MAKING BEST EFFORTS, AS RESULT OF LAST CONVERSATIONS WITH TTPI JAN 29 AND 30, EMBOFF UNDERSTANDS FROM TTPI THAT IN LIGHT FAVORABLE BUDGETARY DEVELOPMENTS TTPI HOPES TO COMPLETE LIST WITHIN ABOUT TWO WEEKS, AND EMBOFF HAS SO INFORMED SASAKI.

3. ADDITIONALLY, EMBOFF MET SASAKI JAN 30 TO REVIEW CERTAIN POINTS CONCERNING LIST. IN SOME CASES REPEATING POINTS EARLIER MADE (SEE REFTELS), EMBOFF EXPLAINED THAT, IN RESPONSE TO GOJ REQUESTS RE FIRST DRAFT LIST (REF E), TTPI NOW ENDEAVORING COMPLETE LIST A) WITHOUT USE OF TERM QTE ETC UNQTE, B) WITH MORE INFO ON VEHICLES TTPI HOPES TO PROCURE, C) WITH MORE INFO DESCRIBING GOODS INCLUDED UNDER CATEGORY B ITEM 11 OF DRAFT, AND D) WITH TOTAL VALUE OF PROPOSED PROCUREMENTS EQUAL TO ONE BILLION EIGHT HUNDRED

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MILLION YEN. EMBOFF CONTINUED THAT ON OTHER HAND, TTPI QUITE FIRM IN WISHING INCLUDE PENCILS AND PAPERS AS ORIGINALLY PROPOSED, TO WHICH SASAKI REPLIED HE DID NOT BELIEVE THIS WOULD

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INFO OCT-01 ISO-00 INT-08 IO-14 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03

SS-20 USIA-15 SAM-01 OMB-01 ABF-01 TRSE-00 DRC-01

EB-11 /129 W

----- 031904

R 010517Z FZD 74

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 9683

HICOMTERPACIS SAIPAN MARIANAS ISLANDS

INFO HQ USARBCO MACHINATO/TTPI-LNO

C O N F I D E N T I A L SECTION 2 OF 2 TOKYO 1435

PRESENT MAJOR PROBLEM. EMBOFF FURTHER REPEATED USG VIEW THAT TO REQUIRE CONTENTS OF LIST BE CLOSELY RELATED TO ECONOMIC DEVELOPMENT OF TTPI GOES BEYOND TERMS OF 1969 AGREEMENT, AND NOTED THAT TTPI ECONOMIC DEVELOPMENT PLANNING DECENTRALIZED AND DETAILED INFO UNAVAILABLE. EMBOFF EXPLAINED TTPI VIEW THAT GOJ SHOULD ACCEPT AT FACE VALUE PROJECTS PROPOSED BY TTPI AS BEING FOR WELFARE OF MICRONESIANS, RELATED TO OVERALL TTPI ECONOMIC DEVELOPMENT, AND APPROPRIATE FOR INCLUSION IN LIST. OTHER HAND, EMBOFF ACKNOWLEDGED GOJ WOULD PROBABLY NEED SOME MINIMUM AMOUNT OF INFO ON PROJECTS AND SAID THAT, THOUGH HE NOT CERTAIN YET WHAT INFO TTPI COULD PROVIDE, HE HOPING TTPI COULD FURNISH GENERAL DESCRIPTION EACH PROJECT AND PERHAPS FEW GENERAL REMARKS ON RELATION OF PROJECT TTPI ECONOMIC DEVELOPMENT.

4. SASAKI RESPONDED THAT GOJ WOULD HOPE TO OBTAIN FOLLOWING INFO FOR EACH PROJECT: A) GENERAL DESCRIPTION, B) TOTAL COST, C) LENGTH OF TIME REQUIRED FOR IMPLEMENTATION, AND D) PROJECT'S RESULTS FOR WELFARE OF MICRONESIANS. GOJ WOULD ALSO APPRECIATE ANY INFO RELATING PROJECTS TO OVERALL ECONOMIC DEVELOPMENT OF TTPI. IN INTERESTS PROMPT AGREEMENT ON LIST, EMBASSY HOPES TTPI WILL BE ABLE TO RESPOND TO SASAKI'S REQUEST.
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5. SASAKI REQUESTED EMBOFF DELIVER LIST TO FONOFF IMMEDIATELY UPON ITS RECEIPT FROM TTPI AND SAID HE WILL ACT PROMPTLY TO OBTAIN OTHER MINISTRIES' APPROVAL AS QUICKLY AS POSSIBLE. HE ALSO TOLD EMBOFF HE DID NOT THINK IT WOULD BE NECESSARY FOR TTPI AUTHORITIES TO COME TO TOKYO TO DISCUSS SECOND DRAFT LIST (ALTHOUGH HE DID NOT RAISE ANY OBJECTIONS)./'

6. SASAKI ENDED CONVERSATION BY STRESSING GOJ DESIRE MOVE FORWARD QUICKLY, AND QTE SERIOUS CONCERN UNQTE OPPOSITION PARTIES WILL RAISE QUESTION OF DELAY IN DIET. HE REQUESTED USG CONTINUE MAKE BEST EFFORTS TO COMPLETE LIST AND SAID HE CONFIDENT SUCH RESURPS WOULD PRODUCE GOOD RESULTS. EMBOFF ASSURED HIM USG SHARES HIS CONCERN AND TTPI MAKING BEST EFFORTS AND WILL CONTINUE TO DO SO. (IN SEPARATE CONVERSATION JAN 29 REGARDING FOREIGN INVESTMENT IN TTPI (TOKYO 1270), NUMATA (FONOFF) EXPRESSED SIMILAR CONCERN OVER POSSIBILITY DIET QUESTIONS AND SAID FONOFF VIEW IS IT QTE VERY IMPORTANT UNQTE MOVE FORWARD WITH PROCUREMENT AS SOON AS POSSIBLE. HE ADDED THAT FONOFF MAY REQUEST EMBASSY ASSISTANCE IN ANSWERING DIFFICULT DIET QUESTIONS.)

7. AT RISK BEING REDUNDANT, EMBASSY WOULD LIKE TO REPEAT ITS CONCERN OVER CONTINUING SLIPPAGE IN WORKING OUT AGREEMENT. TTPI AND GOJ OBVIOUSLY EQUALLY CONCERNED. ALTHOUGH IT NOW SEEMS TTPI WILL BE ABLE TO COMPLETE LIST SHORTLY, EMBASSY STILL WORRIED THAT ADVERSE BUDGETARY DEVELOPMENTS WILL FRUSTRATE THIS HOPE. CONCEIVABLE RESULT WOULD BE THAT GOJ MIGHT DECLINE TO MAKE SECOND REQUIRED PAYMENT INTO SPECIAL ACCOUNT, (WHICH SHOULD BE MADE NO LATER THAN MARCH 31, 1974, I.E. END OF JFY 1973). WORSE POSSIBILITY WOULD BE ENTIRE AGREEMENT COMING APART WITH USG NOT HAVING COMPLETED LIST, GOJ NOT HAVING MADE REQUIRED PAYMENTS, AND MUTUAL CHARGES OF FAILURE TO HONOR OBLIGATIONS. THUS, EMBASSY HOPES WASHINGTON AGENCIES WILL ASSIST TTPI, IF NECESSARY, IN COMPLETING LIST EXPEDITIOUSLY. SPECIFICALLY, IF ADEQUATE BUDGETARY RESOURCES NOT AVAILABLE TO TTPI TO FUND DESIRED ECONOMIC DEVELOPMENT PROJECTS, EMBASSY WOULD HOPE WASHINGTON

AGENCIES COULD AGREE TO ALTERNATE PROJECTS, PERHAPS BY RECONSIDERATION OF PREVIOUSLY RULED-OUT PROJECTS.
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8. ACTION REQUESTED: APPROPRIATE ACTION BY ACTION ADDRESSES TO COMPLETE LIST AT EARLIEST POSSIBLE TIME.
SHOESMITH

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, WAR DEBTS, PROPERTY WAR CLAIMS, DEBT REPAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 01 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974TOKYO01435
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740260/aaaacemf.tel
Line Count: 221
Locator: TEXT ON-LINE
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: A) STATE 14691 B) TOKYO 518 C) TOKYO
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 29 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <29 JUL 2002 by kelleyw0>; APPROVED <30 DEC 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MICRONESIA CLAIMS AGREEMENT
TAGS: EAID, TQ, JA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005